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**A RESOLUTION GRANTING A TWELVE (12) YEAR AGRICULTURAL  
LEASE BETWEEN THE CITY OF NEWBERG AND HAROLD MEDICI**

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**RECITALS:**

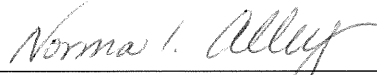
1. The city owns property North of Bell Road in Yamhill county that is the site of the Oliver Springs facility improvements. The property is shown as tax lot 4501 on Yamhill County Tax Map 3S-2W-5, comprising approximately 20.28 acres.
2. Mr. Hal Medici has requested a farming lease on the lower 3.45 acres of the Oliver Springs property, as shown on the attached Exhibit A. Mr. Medici owns the winery located at 28005 NE Bell Road, adjacent and east of the Oliver Springs property, and has plans to plant a small vineyard on the city owned property to improve the appearance of the entrance to his winery and tasting room.
3. The proposed lease, attached as Exhibit A, commences at \$140.00 per acre in January of 2015, and includes a lease increase every 4 years, that averages 3.35% per year over the 12-year lease period. A 2009 study completed by Oregon State University found that in the southern Willamette Valley average lease rates for irrigated crop land range from \$110.00 to \$190.00 per acre.
4. A 12-year term is proposed for the new lease, which will allow for time for the vineyard to mature. Anytime during the 12-year lease period, the city has retained the right to develop a future reservoir and/or water systems improvements on the property, as outlined in item #9 in the lease agreement, attached as Exhibit A.

**THE CITY OF NEWBERG RESOLVES AS FOLLOWS:**

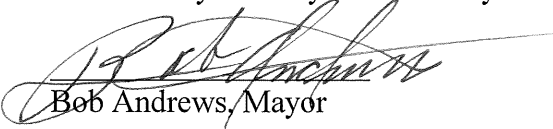
1. The city grants a twelve-year lease of the farmland between the city and Harold Medici, the lease period extending to December 31, 2026, as shown in the attached lease Exhibit A.
2. The city recorder is authorized to execute all necessary documents to grant the lease for the 12-year term.
3. The city attorney is authorized to negotiate any other terms and conditions that might be necessary and modify and/or approve provisions of the lease as deemed necessary.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: June 3, 2014.

**ADOPTED** by the city council of the city of Newberg, Oregon, this 2<sup>nd</sup> day of June, 2014.

  
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Norma I. Alley, MMC, City Recorder

**ATTEST** by the Mayor this 5<sup>th</sup> day of June, 2014.

  
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Bob Andrews, Mayor